

STATE OF NEVADA
DEPARTMENT OF BUSINESS AND INDUSTRY
DIVISION OF MORTGAGE LENDING

In re:

Generation Mortgage Company,
Respondent.

STIPULATED SETTLEMENT AGREEMENT

The licensing and regulation of mortgage brokers, mortgage bankers and escrow agencies in the State of Nevada is governed by Chapter 645B, Chapter 645E and Chapter 645A of the Nevada Revised Statutes (hereinafter "NRS"), respectively, and the regulations promulgated thereunder. The State of Nevada, Department of Business and Industry, Division of Mortgage Lending (hereinafter the "Division") has the general duty to exercise supervision and control over mortgage brokers, mortgage bankers and escrow agencies pursuant to these chapters. Pursuant to that authority, the Division hereby enters into the following Stipulated Settlement Agreement (hereinafter "Agreement") with Generation Mortgage Company (hereinafter "Respondent"), as follows:

RECITALS

WHEREAS, Generation Mortgage Company (hereinafter "Respondent") is a California corporation. Currently, Respondent's status with the Nevada Secretary of State is "active."

WHEREAS, pursuant to NRS Chapter 645E, Respondent was issued a mortgage banker license (License No. 2970) on October 31, 2007. Currently, Respondent's status with the Division is "active license."

1 WHEREAS, based upon information and belief and at all relevant times herein
2 mentioned, Respondent conducted mortgage banker activity in the State of Nevada out of a
3 branch office located at 800 N. Rainbow Blvd., Suite 170, Room 164, Las Vegas, Nevada
4 89107 (hereinafter "Respondent's Las Vegas Office"), 1860 Howe Avenue, Suite 100,
5 Sacramento, CA 95825 (hereinafter "Respondent's Sacramento Office"), 146 North Glendora
6 Avenue, Suite 105, Glendora, California 91741 (hereinafter "Respondent's Glendora Office"),
7 3415 Old Highway 41, Suite 750, Kennesaw, Georgia 30144 (hereinafter "Respondent's
8 Kennesaw Office"), and 3565 Piedmont Road, 3 Piedmont Center, Suite 300, Atlanta,
9 Georgia, 30305 (hereinafter "Respondent's Atlanta Office").
10

11 WHEREAS, pursuant to NRS 645E.200, A person who wishes to be licensed as a
12 mortgage banker must file a written application for a license with the Office of the
13 Commissioner and must "[s]tate the name, residence address and business address of the
14 applicant and the location of each principal office and branch office at which the mortgage
15 banker will conduct business in this State, including, without limitation, any office or other
16 place of business located outside this State from which the mortgage banker will conduct
17 business in this State." See, NRS 645E.200(1)(b).
18

19 WHEREAS, pursuant to NRS 645E.900, "[i]t is unlawful for any person to offer or
20 provide any of the services of a mortgage banker or otherwise to engage in, carry on or hold
21 himself or herself out as engaging in or carrying on the business of a mortgage banker without
22 first obtaining a license as a mortgage banker pursuant to this chapter, unless the person: 1 Is
23 exempt from the provisions of this chapter; and 2. Complies with the requirements for that
24 exemption."
25

26 WHEREAS, pursuant to 645E.300, with limited exception, the Division is charged with
27 conducting "an annual examination of each mortgage banker doing business in this State."
28 See NRS 645E.300(2)(d).

1 WHEREAS, pursuant to NRS 645E.300, the Division conducted a regularly scheduled
2 examination of Respondent's books and records commencing on October 1, 2009 which
3 revealed that:

4 a. On March 1, 2009, Respondent's mortgage agent MH conducted
5 mortgage loan activity on behalf of Respondent (including signing a Residential Loan
6 Application) out of Respondent's Glendora Office;

7 b. On March 3, 2008, August 7, 2008, August 9, 2008, and
8 February 25, 2009, Respondent's mortgage agents LD and PP conducted mortgage loan
9 activity on behalf of Respondent out of Respondent's Sacramento Office.

10 c. Respondent's Glendora Office has never been licensed by the Division
11 pursuant to Chapter 645B of NRS, nor has Respondent ever applied for such licensure of
12 Respondent's Glendora Office; and

13 d. Respondent's Sacramento Office was not licensed by the Division
14 pursuant to Chapter 645E of NRS until April 14, 2009. The above-violations enumerated in
15 (b) each occurred prior to the licensing of Respondent's Sacramento Office.

16
17 WHEREAS, pursuant to NRS 645E.670, "[f]or each violation committed by a licensee,
18 the Commissioner may impose upon the licensee an administrative fine of not more than
19 \$10,000, may suspend, revoke or place conditions upon the license, or may do both, if the
20 licensee, whether or not acting as such... [d]oes not conduct his or her business in
21 accordance with law or has violated any provision of this chapter, a regulation adopted
22 pursuant to this chapter or an order of the Commissioner..." See NRS 645E.670(2)(c).

23
24 WHEREAS, after settlement negotiations, the Division and Respondent (collectively,
25 the "Parties") wish to resolve this matter without the necessity of the filing of a complaint for a
26 formal hearing.

27
28 NOW, THEREFORE, in consideration of the representations, covenants and conditions

1 set forth herein, IT IS HEREBY STIPULATED AND AGREED by the Parties that the purported
2 violations of NRS shall be settled on the following terms and conditions:

3 1. Respondent acknowledges it conducted mortgage loan activity out of its
4 Sacramento and Glendora offices, without the offices being licensed by the Division, in
5 violation of NRS 645E.900.

6 2. Respondent acknowledges and agrees, with full knowledge, to waive its right to
7 have the Division file a complaint if one has not been filed by the date that Respondent
8 executes this Agreement, or if a complaint has been filed, to go to a hearing in this matter.

9 3. Respondent shall, pursuant to NRS 645E.670 and/or NRS 622.400, pay an
10 administrative fine to the Division in the amount of Two Thousand Five Hundred Dollars and
11 No Cents (\$2,500.00) and the Division's investigative costs in the amount of One Hundred
12 Eighty Dollars and No/Cents (\$180.00). Respondent shall make payment, in full, to the
13 Division of the administrative fine and investigative costs upon its execution of this agreement.

14 5. Respondent agrees that in the event it violates any of the provisions of this
15 Agreement, the Division shall retain any and all remedies available to it in accordance with
16 NRS Chapter 645E.

17 6. The parties agree and acknowledge that this Agreement shall constitute the
18 complete and final resolution of any issues arising out of the Division's October 2009
19 examination of Respondent.

20 7. The parties represent and warrant that the persons executing this Agreement on
21 behalf of each party has full power and authority to do so, and has the legal capacity to
22 conduct the legal obligations assigned to it hereunder.

23 8. Respondent further acknowledges and agrees that the Division shall keep the
24 original of this Agreement.

25 9. This Agreement may be signed in counterparts and a facsimile signature shall be
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27
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1 deemed as valid as an original; however, Respondent shall immediately forward all original
2 signature pages to the Division.

3 10. This Agreement, as well as the rights and obligations of the parties hereto, shall be
4 interpreted, governed, and construed pursuant to the laws of the State of Nevada.

5 11. Any action to enforce this Agreement shall be brought in the Eighth Judicial District
6 Court of the State of Nevada in and for Clark County.

7 12. If the Division is successful in any action to enforce this Agreement, the court may
8 award it attorney's fees. It is specifically agreed that reasonable attorney's fees for the State-
9 employed attorneys shall be \$142.55 per hour.
10

11 13. Failure to declare a breach or the actual waiver of any particular breach of this
12 Agreement or its material terms, by either party, shall not operate as a waiver by such party of
13 any of its rights or remedies as to any other breach.

14 14. Respondent has the right to retain an attorney to review this Agreement at its sole
15 cost and expense and has freely and voluntarily chosen not to do so.

16 15. Other than the fine and investigatory costs set forth herein, each side shall pay its
17 own costs and fees, including attorney's fees.

18 16. If any provision contained in this Agreement is held to be unenforceable by a court
19 of law or equity, this Agreement shall be construed as if such a provision(s) did not exist and
20 the unenforceability of such provision(s) shall not be held to render any other provision(s) of
21 this Agreement unenforceable.
22

23 17. This Agreement constitutes the entire agreement of the parties, and it is intended
24 as a complete and exclusive statement of the promises, representations, negotiations, and
25 discussions of the parties. Unless otherwise expressly authorized by its terms, this Agreement
26 shall be binding upon the parties unless the same is in writing, signed by the respective
27 parties hereto, and approved by the Office of the Attorney General.
28

1 **18. NOTICE TO RESPONDENT:** By executing this Agreement, you hereby agree that
2 you are waiving certain rights as set forth herein. As Respondent, you are specifically
3 informed that you have the right to request that the Division file an administrative complaint
4 against you, and at any hearing on such a complaint, you would have the right to appear and
5 be heard in your defense, either personally or through your counsel of choice. If the Division
6 were to file a complaint, at the hearing, the Division would have the burden of proving the
7 allegations in the complaint and would call witnesses and present evidence against you. You
8 would have the right to respond and to present relevant evidence and argument on all issues
9 involved. You would have the right to call and examine witnesses, introduce exhibits, and
10 cross-examine opposing witnesses on any matter relevant to the issues involved.
11

12 You would have the right to request that the Commissioner of the Division issue
13 subpoenas to compel witnesses to testify and/or offer evidence on your behalf. In making this
14 request, you may be required to demonstrate the relevance of the witness's testimony and/or
15 evidence. Other important rights you have are listed in NRS Chapter 645E and NRS
16 Chapter 233B.
17

18 **19.** Respondent understands and agrees that this Agreement may be used to show
19 that past violations have occurred should any future disciplinary action be taken by the
20 Division.
21

22 **20.** In consideration of the execution of this Agreement, Respondent, for itself, its
23 owners, heirs, executors, administrators, successors, and assigns, hereby releases, remises,
24 and forever discharges the State of Nevada, the Department of Business and Industry of the
25 State of Nevada, the Division, and each of their members, agents, attorneys (including any
26 and all employees of the Nevada Attorney General), and employees in their individual and
27 representative capacities, from any and all manner of actions, causes of action, suits, debts,
28 judgments, executions, claims, and demands whatsoever, known and unknown, in law or

1 equity, that Respondent ever had, now has, may have, or claim to have against any or all of
2 the persons or entities named in this section, arising out of or by reason of the Division's
3 examination of Respondent, and all other matters relating thereto.

4 21. Respondent hereby indemnifies and holds harmless the State of Nevada, the
5 Department of Business and Industry of the State of Nevada, the Division, and each of their
6 members, agents, and employees, and employees of the Nevada Attorney General in their
7 individual and representative capacities against any and all claims, suits, and actions brought
8 against said persons and/or entities by reason of the Division's examination of Respondent,
9 this Agreement, and all other matters relating thereto, and against any and all expenses,
10 damages, and costs, including court costs and attorney fees, which may be sustained by the
11 persons and/or entities named in this section as a result of said claims, suits, and actions.
12

13 IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed
14 and intend to be legally bound thereby.

15 Dated this 02 day of ^{June}~~May~~, 2010.

17 Generation Mortgage Company

18 By: _____

19 Title: _____

President and CEO

21 Dated this 7th day of ^{June}~~May~~, 2010.

23 State of Nevada
24 Department of Business and Industry
25 Division of Mortgage Lending

26 By: _____

Joseph L. Waltuch
27 Joseph L. Waltuch, Commissioner
28

CERTIFICATE OF SERVICE

I certify that I am an employee of the State of Nevada, Department of Business and Industry, Division of Mortgage Lending, and that on , June 7, 2010, I deposited in the U.S. mail, postage prepaid via First Class Mail and Certified Return Receipt Requested, a true and correct copy of the foregoing, **STIPULATED SETTLEMENT AGREEMENT for GENERATION MORTGAGE COMPANY**, addressed as follows:

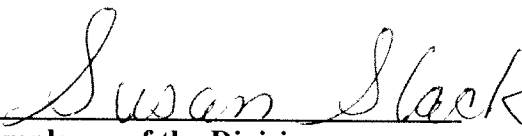
**Joseph Morris
Generation Mortgage Company
3565 Piedmont Road
3 Piedmont Center, Suite 300
Atlanta, GA 30305**

Certified Receipt Number: 7008 1830 0002 7959 6052

**David Johnson
Generation Mortgage Company
800 N. Rainbow Blvd., Suite 170, Room 164
Las Vegas, NV 89107**

Certified Receipt Number: 7008 1830 0002 7959 6069

DATED this 7th day of June, 2010

By: 
Employee of the Division